PROVINCE OF SASKATCHEWAN

2009

ANNUAL REPORT

SASKPOWER SUPPLEMENTARY SUPERANNUATION PLAN

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Letters of Transmittal

His Honour, The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of the Province of Saskatchewan

May it Please Your Honour:

I have the honour to transmit herewith the seventh Annual Report of the SaskPower Supplementary Superannuation Plan for the year ending December 31, 2009.

Rod Gantefoer
Minister of Finance

The Honourable Rod Gantefoer
Minister of Finance

Sir:

On behalf of the Public Employees Benefits Agency, I have the honour to transmit herewith the seventh Annual Report of the SaskPower Supplementary Superannuation Plan for the year ending December 31, 2009.

Brian Smith
Assistant Deputy Minister
Public Employees Benefits Agency

Saskatchewan Power Corporation
SaskPower Supplementary Superannuation Plan

Introduction

The Saskatchewan Power Corporation (SaskPower; the Corporation) established the SaskPower Supplementary Superannuation Plan (the Plan) on January 1, 1988 for the purpose of providing superannuation benefits under this Plan to SaskPower employees enrolled in the Plan (the Participants).

The Plan is not registered as a pension plan under the *Income Tax Act* (Canada). The Corporation has not established a trust nor does it hold property for the specific purpose of providing benefits to the Participants. Benefits are funded out of current operations of the Corporation.

SaskPower was the administrator of the Plan from January 1, 1988 to March 14, 2000. On March 14, 2000, an Order in Council designated the Public Employees Benefits Agency (PEBA) as the administrator of the Plan.

Enrollment

In order to become a Participant in the Plan, eligible employees (Management Level Vii and up) must sign a form agreeing to indefinitely forego their entitlement to 13 banked days off in return for enrollment in the Plan.

As at December 31, 2009 there were 221 (2008 – 228) active Participants in the Plan and 53 (2008 – 44) retired or terminated Participants who receive benefits from the Plan.

Banked Days Earned

On an annual basis, the notional account of each Participant is credited with a sum equal to 15 days of a Participant's salary. The crediting of each sum is deemed to occur on January 1 of each year. In addition, the Corporation may from time to time credit each Participant's notional account with such additional amounts as it deems appropriate. The notional account of each Participant represents a contribution receivable from SaskPower. Notwithstanding the above, in no event shall any amount credited under the Plan be in lieu of compensation payable during the year or a previous year.

Interest

On December 31 of each year, the amounts deemed to be held in the accounts of the Participants are credited with an additional amount equal to the greater of:

i) The percentage yield on the mean actuarial value of the investments by the Power Corporation Superannuation Plan for the year ended September 30 of that year; or

ii) The average rate of interest paid during the year on one year Guaranteed Investment Certificates (GICs) Series B14054 as reported by the Bank of Canada. For this purpose, the rate of interest paid on one year GICs on the first business day of each month shall be used to determine the average rate of interest paid on GICs.

The rate used to calculate the interest credited to the Plan during 2008 was 0.4% (2008 – 2.9%).

Benefits

A Participant's benefit entitlement date is normally January 31 of the year following the year in which the Participant terminates active service with the Corporation.

Upon termination of active service, Participants elect how superannuation benefits are to be paid. In the event of termination of service, the Corporation on behalf of the Plan may pay a Participant's superannuation benefits in a lump sum. However, in no circumstances shall superannuation benefits under this Plan be paid over a period exceeding 5 years.

Management's Report

To the Members of the Legislative Assembly of Saskatchewan

As administrators of the SaskPower Supplementary Superannuation Plan, we are responsible for the preparation and presentation of the following financial statements in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The significant accounting policies adopted in the preparation of the financial statements are fully and fairly disclosed in the financial statements.

We believe the SaskPower Supplementary Superannuation Plan has a system of internal control adequate to provide reasonable assurance that the accounts are faithfully and properly kept to permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles.

We enclose the financial statements of the Saskatchewan Power Supplementary Superannuation Plan for the year ended December 31, 2009 and the Provincial Auditor's report on these financial statements.

Brian Smith
Assistant Deputy Minister
Public Employees Benefits Agency

Kathy Deck, CGA
Director, Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
February 26, 2010

SaskPower Supplementary Superannuation Plan

Financial Statements

Year Ended December 31, 2009

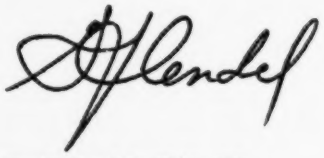
Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits of the Saskatchewan Power Corporation Supplementary Superannuation Plan as at December 31, 2009 and the statement of changes in net assets available for benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at December 31, 2009 and the changes in net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
February 26, 2010

Fred Wendel, CMA, CA
Provincial Auditor

Saskatchewan Power Corporation
Supplementary Superannuation Plan
Statement of Net Assets Available for Benefits

Statement 1

As At December 31

	(in thousands)	
	2009	**2008**
ASSETS		
SaskPower contribution receivable	$21,631	$20,991
Total assets	21,631	20,991
NET ASSETS AVAILABLE FOR BENEFITS	$21,631	$20,991

(See accompanying notes to the financial statements)

Saskatchewan Power Corporation **Statement 2**
Supplementary Superannuation Plan
Statement of Changes in Net Assets Available for Benefits

Year Ended December 31

	(in thousands)	
	2009	**2008**
INCREASE IN ASSETS		
Banked days earned	$ 1,423	$ 1,369
Interest earned	115	665
Total increase in assets	1,538	2,034
DECREASE IN ASSETS		
Superannuation benefits	898	2,000
Total decrease in assets	898	2,000
Increase in net assets	640	34
NET ASSETS AVAILABLE FOR BENEFITS, beginning of the year	20,991	20,957
NET ASSETS AVAILABLE FOR BENEFITS, end of the year	$21,631	$20,991

(See accompanying notes to the financial statements)

Saskatchewan Power Corporation
Supplementary Superannuation Plan
Notes to the Financial Statements

December 31, 2009

1. Description of the Plan

The Saskatchewan Power Corporation (SaskPower; the Corporation) established the SaskPower Supplementary Superannuation Plan (the Plan) on January 1, 1988 for the purpose of providing superannuation benefits under this Plan to SaskPower employees enrolled in the Plan (the Participants).

The Plan is not registered as a pension plan under the *Income Tax Act (Canada)*. The Corporation has not established a trust nor does it hold property for the specific purpose of providing benefits to the Participants. Benefits are funded out of current operations of the Corporation.

On March 14, 2000, an Order in Council designated the Public Employees Benefits Agency (PEBA) as the administrator of the Plan.

The following description is a summary only. For more complete information, reference should be made to the Plan document.

Enrollment

To enroll in the Plan, eligible SaskPower employees (Management Level VII and up) must agree, in writing, to indefinitely forego their entitlement to 13 banked days off in return for Plan benefits.

As of December 31, 2009, the Plan had 221 (2008 – 228) active Participants and 53 (2008 – 44) retired or terminated Participants who received benefits from the Plan.

Banked Days Earned

On an annual basis, the Plan credits the notional account of each active Participant with a sum equal to 15 days of a Participant's salary. The crediting of each sum is deemed to occur on January 1 of each year. In addition, the Plan may from time to time, credit each Participant's notional account with such additional amounts as it deems appropriate. Notwithstanding the above, in no event shall any amount credited under the Plan be in lieu of compensation payable by SaskPower during the year or a previous year.

The notional account of each Participant represents a contribution receivable from SaskPower.

Interest Earned

On December 31 of each year, the Plan credits each active Participant's notional account with an additional amount equal to the greater of:

i. The percentage yield on the mean actuarial value of the investments by the Power Corporation Superannuation Plan for the year ended September 30 of that year; or

ii. The average rate of interest paid during the year on one year Guaranteed Investment Certificates (GICs) Series B14054 as reported by the Bank of Canada. For this purpose, the rate of interest paid on one year GICs on the first business day of each month shall be used to determine the average rate of interest paid on GICs.

The rate used to calculate the interest credited to the Plan during 2009 was 0.4% (2008 – 2.9%).

Benefits

A Participant's benefit entitlement date is normally January 31 of the year following the year in which the Participant terminates active service with the Corporation.

Upon termination of active service, Participants elect how superannuation benefits are to be paid. In the event of termination of service with the Corporation, the Corporation, on behalf of the Plan, may pay a Participant's superannuation benefits in a lump sum. In no circumstances shall superannuation benefits under this Plan be paid over a period exceeding 5 years.

2. Significant Accounting Policies

These financial statements were prepared in accordance with Canadian generally accepted accounting principles.

3. Related Parties

SaskPower and PEBA are related by virtue of common control by the Government of Saskatchewan.

The Plan has received use of office space and administrative services from SaskPower at no charge. Additionally, PEBA provides administrative services to the Plan for an administration fee which is paid by SaskPower.

4. Fair Value

The fair value of the SaskPower contribution receivable is its carrying value. As benefits are funded out of current operations of SaskPower, the Plan's financial risks relate primarily to credit risk. The maximum credit risk to which it is exposed at December 31, 2008 is limited to the carrying value of its contributions receivable for SaskPower.

5. Future Accounting Policy Changes

Effective January 1, 2011 the Plan will adopt IFRS in place of Canadian GAAP. SaskPower commenced an IFRS conversion project in 2008 for it, its subsidiaries and the Plan to assess the potential impacts of the transition and developed a detailed project plan to ensure compliance with the new standards. The conversion project is progressing according to the project plan. At this time, the impact on the Plan's future financial position and results of operations is not reasonably determinable.